ASX Code: DMA

ASX Announcement
5th November 2009

400 million tonnes – Detrital Channel Iron Target
Prairie Downs Phase 1 Drilling Completed
Exploration Target Detrital Channel Iron - 1 billion tonnes

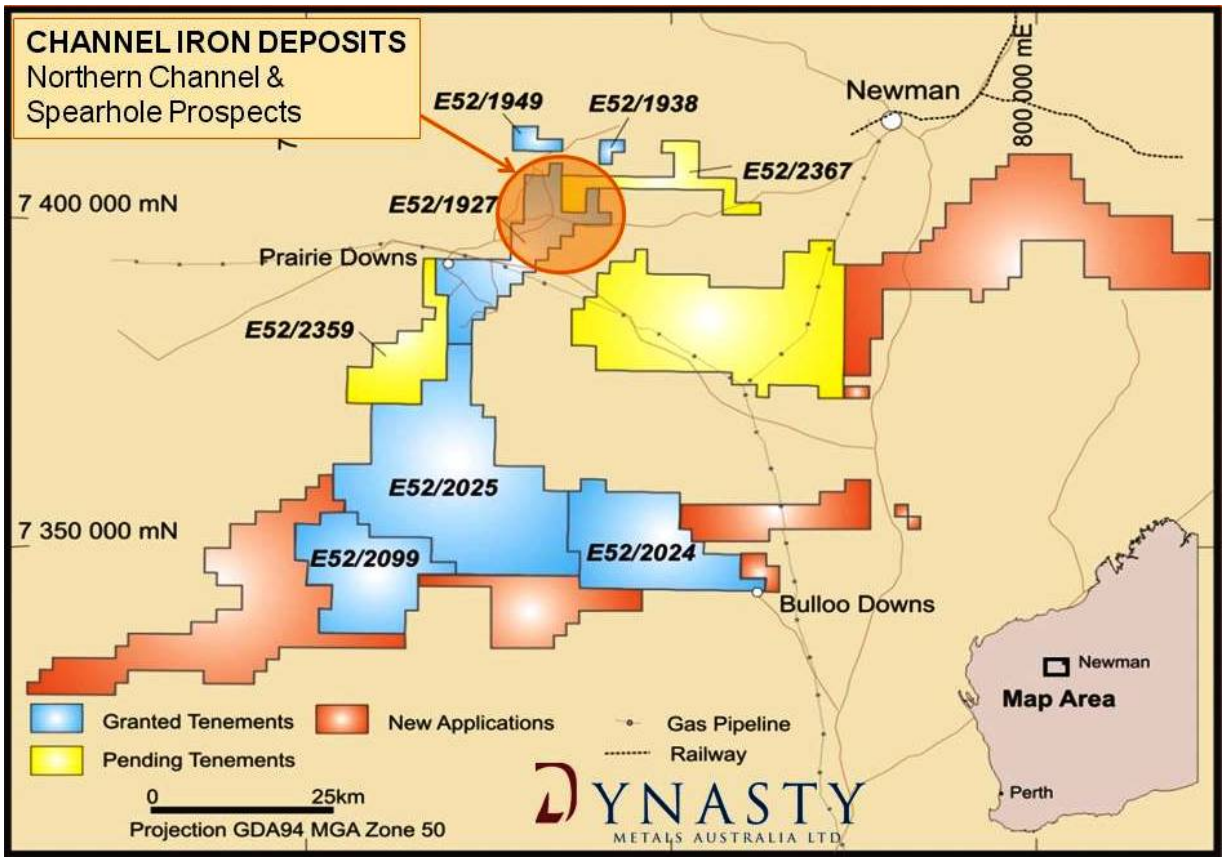
- **Spearhole Channel Iron Deposit is estimated to contain an initial exploration target deposit of ~400 million tonnes[1] and is open and un-tested to the south and southwest**
- **Drilling has identified a Detrital Channel Iron Deposit ("DID") in the Spearhole Prospect exceeding 15m thickness from the surface, over an area of 8.4km^2 (8,400,000m^2)**
- **Assay results on the bulk of the 9,979 metres in the 305 holes drilled are pending**
- **Preliminary results from the first 30 holes (10% drilled) of northern part of the 400M tonnes initial target confirm persistent intersections of haematite-rich detritals and iron pisolites over deep zones with wide intercepts (up to 40m) from surface**
- **Follow up test work and assessment is being undertaken on bulk samples of those intersections which show encouraging preliminary results to:**
  1. **assess the beneficiation processes required to remove clay and free silica to produce a high grade iron ore product; and,**
  2. **define which parts of the 400M tonnes target identified so far contain commercial tonnes and grades which could be viable to mine, process and export.**
- **Dynasty's exploration target deposit is of the order of 1 billion tonnes of commercial grade Detrital Channel Iron on its Prairie Downs tenements**
- **This exploration target deposit is in addition to the Bedded Iron, DSO Marra Mamba intersections previously announced.**

Geological modelling of the Spearhole Deposit has shown that in excess of approximately 400 million tonnes of detrital channel iron material exist in the area drilled to date within E52/1927, see **Figure 1** overleaf and details on pages 3 to 5 below. Formal resource estimations will be reported in accordance with the JORC Code when assays are received and assessed.

Should this material extend over the full extent of the areas of known surficial occurrences of detrital chanel iron and have a similar thickness to that already drilled, the total exploration target deposit would range from 800 million tonnes to 1,200 million tonnes[1]

[1] Pursuant to Clause 18 of the JORC Code, please note "the quantity and grade of this deposit is conceptual in nature as there are insufficient assay and beneficiation results to define a Mineral Resource and it is uncertain at this stage whether further results and testwork will result in the determination of a Mineral Resource"

Figure 1 – Channel Iron Deposits in Dynasty's Prairie Downs Tenements (3,591 km^2)



Dynasty has completed the first phase drilling of 305 holes totalling 9,979 metres at Prairie Downs, the majority of which was on the Spearhole Channel Deposit. Assay results from the program are awaited. The drilling at each of the locations is set out in **Table 1.**

Table 1 – Reverse Circulation Drilling – Prairie Downs Phase 1

Hole Series	Prospect Areas	Target	Number Holes	Total Meters	Average Depth
MMRC	Marra Mamba	Marra Mamba Formation	29	2,254	78
MSRC	Marra Mamba South	Marra Mamba Formation	11	622	57
SWRC	Spearhole West Channel	Channel Iron	12	372	31
SERC	Spearhole East Channel	Channel Iron	184	5,557	30
NCRC	Northern Channel	Channel Iron	69	1,174	17
TOTAL	**Prairie Downs Project**		**305**	**9,979**	**33**

The country in which the thicker sequences of Detrital Channel Iron are encountered is flat and readily accessible as shown in the photograph below. Preliminary results show that the detrital channel iron is persistent throughout the intersections from the surface (no overburden).

Detrital Channel Iron mineralisation has been encountered elsewhere in the Pilbara iron province, for example, Brockman Resources Limited has recently reported completion of a Pre Feasibility Study for its Marillana Iron Ore Project, which is largely a "beneficiation feed hematite detrital ore".

Reverse Circulation Drilling of Dynasty's Channel Iron Deposits Phase 1 Campaign

Geological Results and Cross Sections: The lateral extent and the consistent depth of the Spearhole Detrital Deposit is illustrated in the Cross Section on line 7402400 presented in **Figure 2** below. The cross section located on line 7402400N as is shown on Figure 3, has been constructed from geological logs of drill cuttings and from line 7402400N as is shown on Figure 3, has been constructed from geological logs of drill cuttings and from preliminary assay results and shows the zones showing in-situ haematite content greater than 30%.

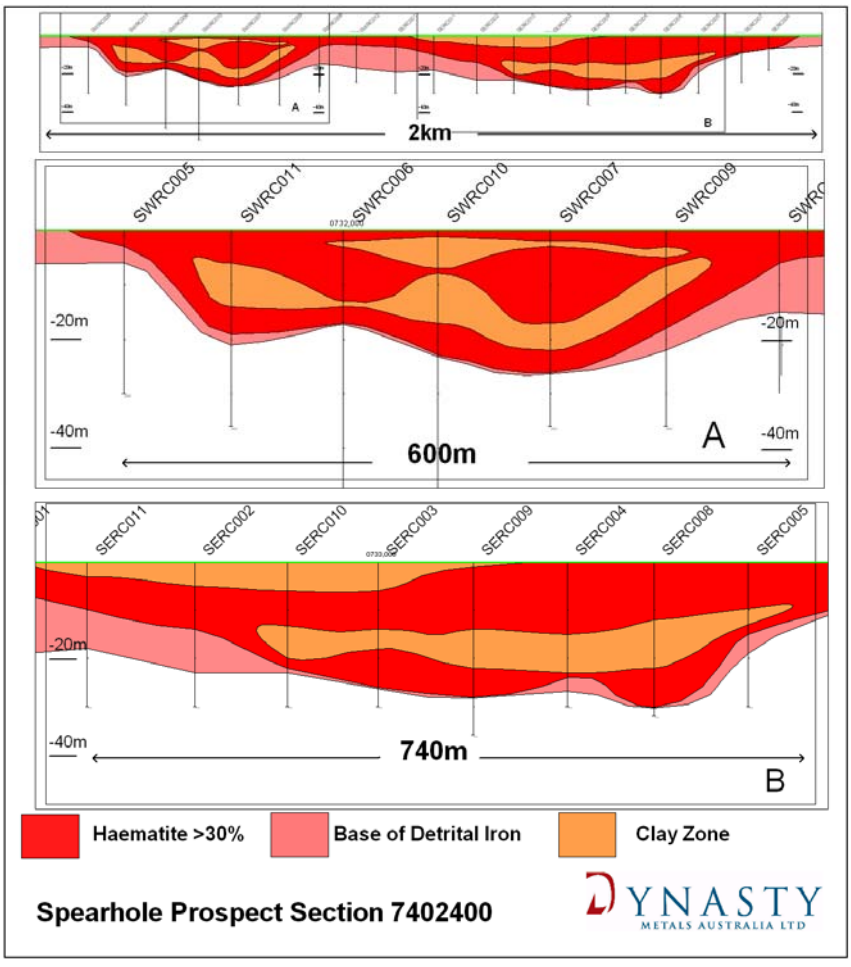


Figure 2 – Top Section: Full Cross Section 7402400N looking nothwards showing the continuity, depth and the lateral extent of the Spearehole Detrital Channel Iron Deposit and areas containing >30% visual Haematite. Thick zones are enlarged in sections A & B.

Deposit Thickness Contours: Analysing the drill log data Dynasty's technical team has compiled deposit thickness contours. **Figure 3** below shows the deeper parts (35m thick) of the Spearhole Channel Deposit in red and the shallowest parts in blue. It is clear from Figure 3 that the deposit is thickening to the south and south east and remains open and untested in this direction. This area will be a high priority target in the next drilling campaign.

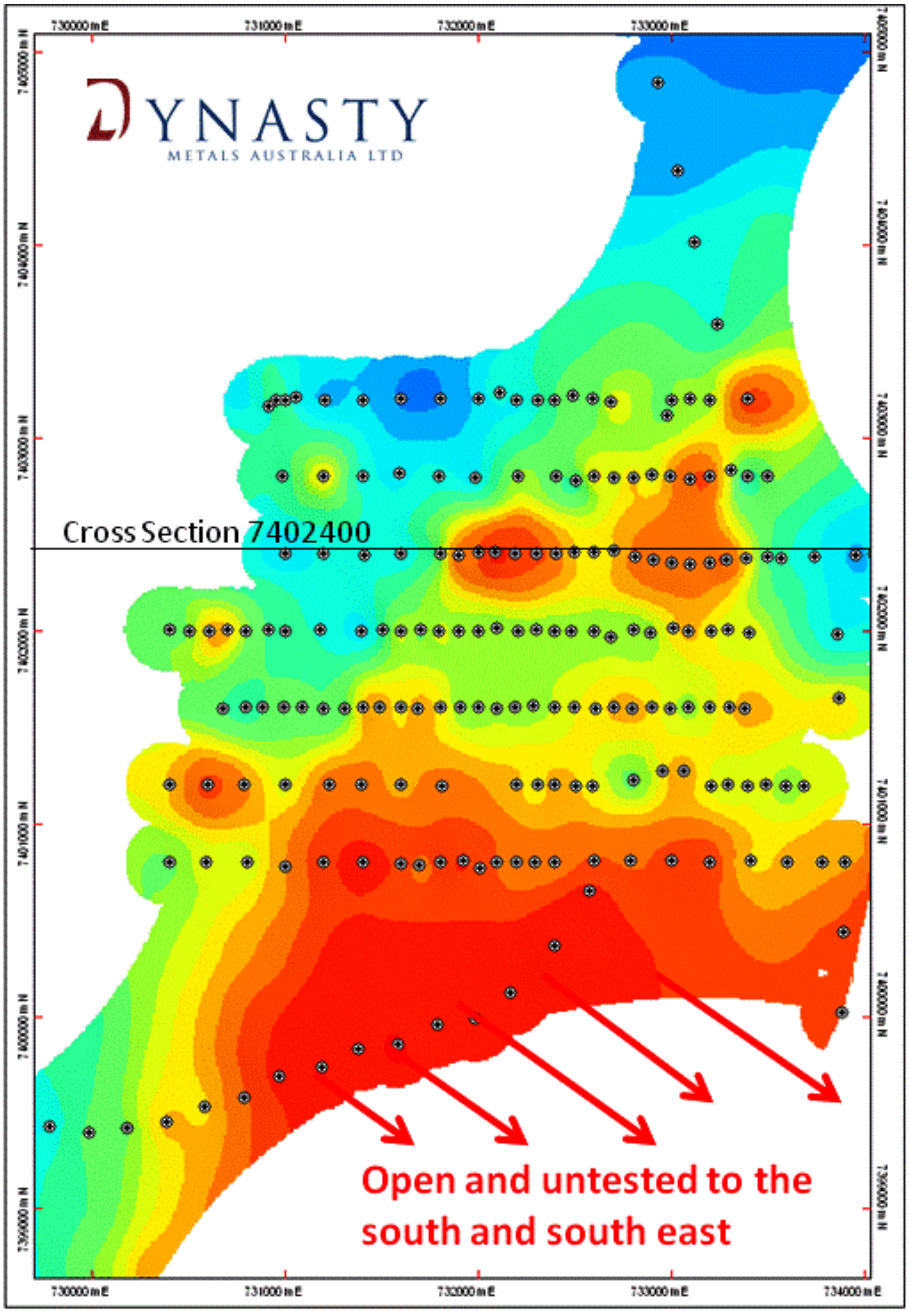


Figure 3 – Drillhole locations and Spearhole Channel Deposit Thickness Contours

The area of the deposit of >15m in thickness is approximately 8.4km^2 or 8,400,000m^{2}in the area drilled to date. The average thickness is 22.25m and the estimated bulk density 2.4 tonnes per cubic metres which gives an in-situ tonnage of between 350 and 510 million tonnes.

Preliminary results from laboratory test-work of drill samples are returning in-situ grades ranging from 15% to 45% Fe and low average phosphorous (<0.05% P) including wide intercepts in the range of 25% to 35% Fe. Completion of the laboratory analysis and beneficiation test work is required to determine which part of the deposit illustrated in Figure 3, contains commercial grades of iron.

Deposit Depth to Basement Contours: To assist in defining the location of the channels, Dynasty's technical team has plotted the depth to basement as illustrated in the contour plan presented in **Figure 4**.

The contours show two channels with the main channel direction being to the south east, and showing good correlation with the Spearhole Channel thickness contours shown in Figure 3 and the depth to basement contours shown in Figure 4.

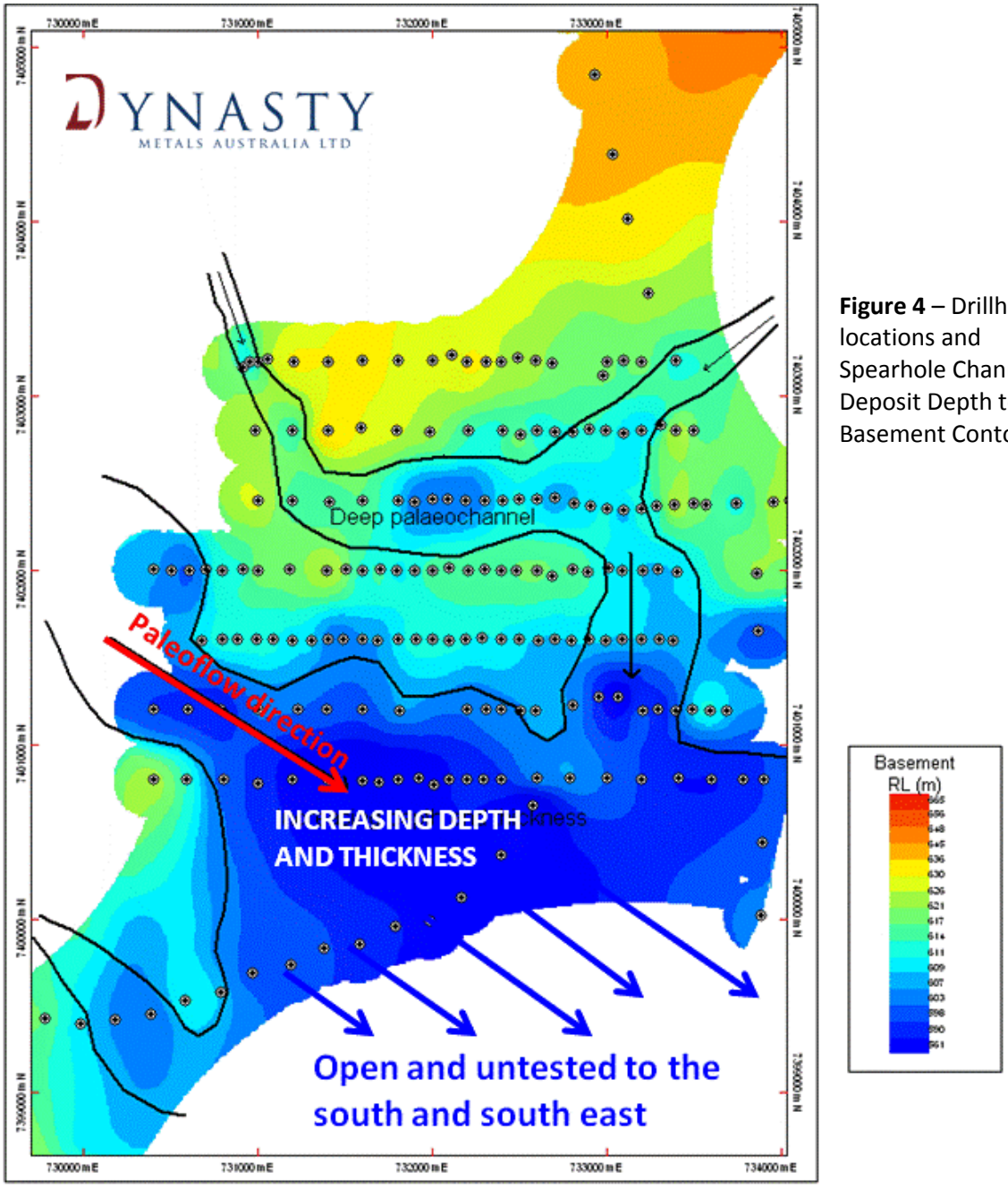


Figure 4 – Drillhole locations and Spearhole Channel Deposit Depth to Basement Contours

For further information please contact either Messrs:

Malcolm Carson (Executive Technical Director) on 02 9229 2702

Lewis Tay (Executive Director) on 02 9229 2710

Ian Levy (Chairman) on mob 0407 189 122

***Qualifying statement**: Malcolm Carson has compiled the information in this report from information supplied by Dynasty Metals Limited. Malcolm Carson has sufficient experience that is relevant to the style of mineralisation, the types of deposit under consideration and to the activity that he is undertaking and qualifies as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results. Mr Carson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*